FILE ACT/053/004 MUSTO EXPLORATIONS LTD. 405 - 750 WEST PENDER STREET VANCOUVER, B.C., CANADA, V6C 2T7 TELEPHONE (604) 689-7842 • TELEX 04-51457 RECEIVED May 4, 1984 MAY 1 4 1984 DIVISION OF OIL GAS & MINING Ms. Mary M. Boucek, Reclamation Biologist/Permit Supervisor, State of Utah, Dept. of Natural Resources and Energy, Oil, Gas and Mining, 4241 State Office Building, Salt Lake City, Utah 84114. Dear Ms. Boucek: With reference to an area of land disturbed by St. George Mining Corporation which was discussed at your meeting with Mr. P. deDycker of Steffen Robertson & Kirsten (Colorado), Inc. on Friday, May 4, 1984, we wish to inform you that this area was cleared to store obsolete equipment and scrap steel which we recovered as part of a general cleanup campaign of land surrounding the Apex and Paymaster mines. Please note that we will remove all scrap steel and will reclaim this disturbed area during the week of May 7, 1984. We will limit any future disturbances of land to areas included in our Mining and Reclamation Plan. Yours very truly, HLK:1dv H. Lutz Klingmann President

May 1, 1984 Memo to File: St. George Mining Corporation RE: Apex Mine PRO/053/004 Washington County, Utah On April 26, 1984, Division staff members Ev Hooper, Tom Munson and Steve Cox conducted an on-site inspection of the Apex Mine site. The purpose of the tour was to document the status of operations and to see if mining activity had ceased. Mr. Bob Renard, St. George Mining Corporation, had been warned previously that all mining activity should cease until further notice from the Division (see Memo to File dated April 6, 1984). From the on-site visit, it was apparent that St. George Mining Corporation is continuing with unpermitted mining activities. Three areas along the access road had been cleared of vegetation and leveled. Two of the areas were not being used for any specific purpose. However, the third area was being used as a storage area for old mining equipment and trash. Additional disturbance to the leachfield area was noted, new power poles have been placed and a watchman's trailer has now been placed on-site. Development of the underground workings is continuing and some waste rock has been generated. It appeared that most of the waste rock has been disposed of on the upper dump. No activity was observed on the processing plant site. Reclamation Biologist SC/btb cc: M. Boucek, DOGM E. Hooper, DOGM T. Munson, DOGM P. Grubaugh-Littig, DOGM R. Smith, DOGM J. Whitehead, DOGM 86470

April 6, 1984 Memo to File: St. George Mining Company Apex Mine PRO/053/004 Washington County, Utah On March 14, 1984, the Apex Mine site was inspected by Mary Boucek, Steve Cox, Ev Hooper, Tom Munson, Pam Grubaugh-Littig and John Whitehead of the Division. On February 28, 1984, St. George Mining Company submitted a MRP to reopen the Apex Mine and process existing mine dumps for galluim and venaduim. The parent company (Musto Exploration) currently holds an exploration permit for the area. Primary purposes of the on-site inspection were to acquaint technical staff with the proposed mining operation, to visually assess the area for drainage control and reclamation potential and to discuss the MRP submittal with the Company representative, Mr. Bob Renaud. Mr. Renaud accompanied Division staff on-site and discussed the mining operation and reclamation with the staff. It was noted that a new area had been partially cleared in preparation for septic tank and drainfield to enable the company to put in a security guard trailer. Mr. Renaud was informed that this activity should cease until further word from the Division. The Division informed Mr. Renaud that the MRP is lacking in several necessary details and that the review of the document would be sent to Mr. Lutz Klingman, Musto Exploration/St. George Mining Company toward the end of March. Mary M. Boucek Reclamation Biologist/ Permit Supervisor MMB/btb cc: S. Cox, DOGM E. Hooper, DOGM P. Grubaugh-Littig, DOGM J. Whitehead, DOGM T. Munson, DOGM Statistics: Vehicle: #EX 74661--798 miles Per Diem: 6 persons X 2 days @ \$59.30 ea = \$355.80 Grant: A & E 83210